

Corporate Governance

Strengthening Corporate Governance

Dowa Holdings Co., Ltd. and the Dowa Group companies have made strengthening corporate governance one of the top priorities of management.

We have established the “Dowa Group’s Values and Standards of Conduct” and the “Dowa Group CSR Guidelines” in order to ensure that each and every employee is aware of the public nature of Dowa as a corporation and acts in accordance not only with the law but also with social norms. The entire Group is engaged in contributing to society through business activities and in developing and operating effective internal controls.

In October 2006 we converted our corporate structure from an in-house company system to a holding company system.

The holding company system has increased the specialization of our business divisions and expedited administration. We have also established a Board of Auditors, which includes outside auditors, and appointed outside directors, steps that have served to ensure and raise managerial soundness.

In December 2007 we established the CSR Department in order to more actively conduct initiatives connected with our corporate social responsibilities. The CSR Department promotes activities in partnership with the Dowa Holdings Legal Department, other administrative divisions and related divisions at operating companies in order to meet stakeholder expectations pertaining to environmental management, internal control and risk management.

In March 2009 we began participating in the United Nations Global Compact, a voluntary set of ten principles for businesses related to human rights, labor, the environment and anti-corruption. Our participation in the Global Compact will help the entire Group make progress in fulfilling corporate social responsibilities at an even higher level than in the past.

Internal Control System

The internal control system that was established by resolution of the Board of Directors in May 2006 was put up for review upon changing to a holding company system and subsequently revised in December 2006.

In March 2007, the board of directors at each Group company (with the exception of certain joint ventures) approved adoption of a similar internal control system in an effort to apply the system to the Group as a whole.

In April 2008, we formulated the “Internal Control Guidelines” at the Group level. We are currently promoting internal control activities for the Group centering on monitoring and improvement processes.

Compliance with the Financial Instruments and Exchange Act

The Dowa Group has made progress each fiscal year in complying with the Financial Instruments and Exchange Act, which went into full force in fiscal 2008.

In fiscal 2006 we documented accounting processes for all Group companies to make them transparent.

Since fiscal 2007 we have expanded the scope of documentation to include all administrative processes and have worked to appropriately assign responsibilities for daily administrative activities and increase administrative efficiency.

Fiscal 2008 was the first fiscal year that the internal control reporting system was applied under the Financial Instruments and Exchange Act.

Dowa launched a project team administered by the CSR Division in order to further strengthen initiatives related to internal control over financial reporting, which is required under the law. The project team provides support for internal control development and operation, evaluates internal controls as an independent body within the company, and otherwise works to construct internal controls for the Group and ensure the reliability of financial reporting.

Dowa Group Corporate Governance Initiatives

2000	Introduced an executive officer system	2007 March	Resolutions of boards of directors of Group companies regarding internal control system
2001	Formed the Management Execution Council	December	CSR Department established
2003	Shortened the terms of office of directors from two years to one	2008 April	“Internal Control Guidelines” formulated Project members began initial fiscal year compliance with internal control over financial reporting
2006 May	Board of Directors passed resolution on internal control system	June	“Dowa Group CSR Guidelines” established
June	Appointed outside directors	2009 March	Began participation in United Nations Global Compact
October	Moved to a holding company structure		
December	Revised resolution of Board of Directors on internal control system Dowa Group’s Values and Standards of Conduct established		

Board of Directors and Officers

As of June 24, 2009

DIRECTORS



Hirokazu Yoshikawa
*Chairman & CEO,
Representative Director*



Masao Yamada
*President &
Representative Director*



Hiroshi Nakashio
Director



Takuya Warashina
Director



Masaki Kohno
Vice Chairman & Director



Fumitoshi Sugiyama
Director & CTO



Takeaki Yamada
Director



Kenji Kanamaru
*Director*1*

AUDITORS



Fumio Nishiwaki
*Corporate Auditor*2*



Kanji Ohida
Corporate Auditor



Yoshiyuki Ohji
Corporate Auditor



Osamu Hamamatsu
*Corporate Auditor*2*

OFFICERS



Hiroshi Tomikawa
Officer



Nobuo Yamazaki
Officer



Yukio Ishibashi
Officer



Toshiro Sumita
Officer



Yoshito Koga
Officer



Akira Otsuka
Officer



Mineo Ogino
Officer

*1 Outside Director

*2 Outside Auditor